

AMENDED IN ASSEMBLY SEPTEMBER 8, 2003

SENATE BILL

No. 1058

**Introduced by ~~Committee on Budget and Fiscal Review~~ Senator
Torlakson**

February 27, 2003

~~An act to amend Section 95 of the Revenue and Taxation Code, relating to local government finance. An act to add and repeal Section 60227 to the Education Code, relating to instructional materials, and making an appropriation therefor.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 1058, as amended, ~~Committee on Budget and Fiscal Review~~ Senator Torlakson. ~~Local government finance—Instructional materials.~~

Existing law requires the State Board of Education to adopt basic instructional materials for use in kindergarten and grades 1 to 8, inclusive. Existing law further requires the state board to ensure that curriculum frameworks are reviewed and adopted in each subject area consistent with specified submission cycles.

This bill would, until January 1, 2007, require the State Department of Education, prior to conducting a followup adoption, to notify all publishers and manufacturers known to produce basic instructional materials in that subject, that a fee will be assessed based on the number of programs the publisher or manufacturer indicates will be submitted. The bill would prohibit a review of a submission until the fee is paid in full. The bill would continuously appropriate to the department the revenue derived from this fee and would make the revenue available to the department from year to year until expended.

~~Existing property tax law requires the county auditor, in each fiscal year, to allocate property tax revenue to local jurisdictions in accordance with specified formulas and procedures, and generally requires that each jurisdiction be allocated an amount equal to the total of the amount of revenue allocated to that jurisdiction in the prior fiscal year, subject to certain modifications, and that jurisdiction's portion of the annual tax increment, as defined.~~

~~This bill would correct erroneous cross-references in these provisions.~~

Vote: majority. Appropriation: ~~no~~ yes. Fiscal committee: ~~no~~ yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 ~~SECTION 1. Section 95 of the Revenue and Taxation Code is~~
2 *SECTION 1. Section 60227 is added to the Education Code,*
3 *to read:*
4 *60227. (a) For purposes of this section, a followup adoption*
5 *is any adoption other than the primary adoption that occurs within*
6 *a six- or eight-year cycle established pursuant to subdivision (b)*
7 *of Section 60200.*
8 *(b) Before conducting a followup adoption in a given subject,*
9 *the department shall provide notice, pursuant to subdivision (c),*
10 *to all publishers or manufacturers known to produce basic*
11 *instructional materials in that subject, post an appropriate notice*
12 *on the department's Internet site, and take other reasonable*
13 *measures to ensure that appropriate notice is widely circulated to*
14 *potentially interested publishers and manufacturers.*
15 *(c) The notice shall specify that each publisher or manufacturer*
16 *choosing to participate in the followup adoption shall be assessed*
17 *a fee based upon the number of programs the publisher or*
18 *manufacturer indicates will be submitted for review and the*
19 *number of grade levels proposed to be covered by each program.*
20 *(d) The fee shall offset the cost of conducting the followup*
21 *adoption process and shall reflect the department's best estimate*
22 *of the cost. The department shall take reasonable steps to limit*
23 *costs of the followup adoption and to keep the fee modest,*
24 *recognizing that some of the work necessary for the primary*
25 *adoption need not be duplicated.*



1 (e) The department, prior to incurring substantial costs for the
2 followup adoption, shall require that a publisher or manufacturer
3 who wishes to participate in the followup adoption first declare the
4 intent to submit one or more specific programs for the followup
5 adoption and specify the specific grade levels to be covered by
6 each program. After a publisher or manufacturer has declared the
7 intent to submit one or more programs and the grade levels to be
8 covered by each program, a fee shall be assessed by the
9 department. The fee shall be payable by the publisher or
10 manufacturer even if the publisher subsequently chooses to
11 withdraw a program or reduce the number of grade levels covered.
12 A submission by a publisher or manufacturer may not be reviewed
13 for purposes of adoption, either in a followup adoption or in any
14 other primary or followup adoption conducted thereafter, until the
15 fee assessed has been paid in full.

16 (f) (1) It is the intent of the Legislature that the fee not be so
17 substantial that it prevents small publishers or manufacturers from
18 participating in a followup adoption.

19 (2) Upon the request of a small publisher or manufacturer, the
20 State Board of Education may reduce the fee for participation in
21 the followup adoption.

22 (3) For purposes of this section, “small publisher” and “small
23 manufacturer” mean an independently owned or operated
24 publisher or manufacturer who is not dominant in its field of
25 operation, and who, together with its affiliates, has 100 or fewer
26 employees, and has average annual gross receipts of ten million
27 dollars (\$10,000,000) or less over the previous three years.

28 (g) Notwithstanding subdivision (b) of Section 60200, if the
29 department determines that there is little or no interest in
30 participating in a followup adoption by publishers and
31 manufacturers, it shall recommend to the State Board of Education
32 that the followup adoption not be conducted, and the State Board
33 of Education may chose not to conduct the followup adoption.

34 (h) Notwithstanding Section 13340 of the Government Code,
35 revenue derived from fees charged pursuant to subdivision (c) is
36 hereby continuously appropriated and available to the department
37 from year to year until expended. Revenue derived from fees
38 charged pursuant to subdivision (c) may be used to pay costs
39 associated with any followup adoption and any costs associated
40 with the review of instructional materials.

(i) This section shall remain in effect only until January 1, 2007, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2007, deletes or extends that date.
~~amended to read:~~

~~95. For the purpose of this chapter:~~

~~(a) “Local agency” means a city, county, and special district.~~

~~(b) “Jurisdiction” means a local agency, school district, community college district, or county superintendent of schools. A jurisdiction as defined in this subdivision is a “district” for purposes of Section 1 of Article XIII A of the California Constitution.~~

~~For jurisdictions located in more than one county, the county auditor of each county in which that jurisdiction is located shall, for the purposes of computing the amount for that jurisdiction pursuant to this chapter, treat the portion of the jurisdiction located within that county as a separate jurisdiction.~~

~~(c) “Property tax revenue” includes the amount of state reimbursement for the homeowners’ exemption. “Property tax revenue” does not include the amount of property tax levied for the purpose of making payments for the interest and principal on either of the following:~~

~~(1) General obligation bonds or other indebtedness approved by the voters prior to July 1, 1978, including tax rates levied pursuant to Part 10 (commencing with Section 15100) of Division 1 of, and Sections 17409 and 17413 and former Sections 81338 and 81341 of the Education Code, and Section 26912.7 of the Government Code.~~

~~(2) Bonded indebtedness for the acquisition or improvement of real property approved by two-thirds of the voters on or after June 4, 1986.~~

~~(d) “Taxable assessed value” means total assessed value minus all exemptions other than the homeowners’ and business inventory exemptions.~~

~~(e) “Jurisdictional change” includes an incorporation, as defined in Section 56043 of the Government Code, a change of organization, as defined in Section 56021 of the Government Code, a formation, as defined in Section 56039 of the Government Code, and a reorganization, as defined in Section 56073 of the Government Code. “Jurisdictional change” also includes any~~

1 ~~change in the boundary of those special districts that are not under~~
2 ~~the jurisdiction of a local agency formation commission.~~

3 ~~“Jurisdictional change” also includes a functional~~
4 ~~consolidation where two or more local agencies, except two or~~
5 ~~more counties, exchange or otherwise reassign functions and any~~
6 ~~change in the boundaries of a school district or community college~~
7 ~~district or county superintendent of schools.~~

8 ~~(f) “School entities” means school districts, community~~
9 ~~college districts, the Educational Revenue Augmentation Fund,~~
10 ~~and county superintendents of schools.~~

11 ~~(g) Except as otherwise provided in this subdivision, “tax rate~~
12 ~~area” means a specific geographic area all of which is within the~~
13 ~~jurisdiction of the same combination of local agencies and school~~
14 ~~entities for the current fiscal year.~~

15 ~~In the case of a jurisdictional change pursuant to Section 99, the~~
16 ~~area subject to the change shall constitute a new tax rate area,~~
17 ~~except that if the area subject to change is within the same~~
18 ~~combinations of local agencies and school entities as an existing~~
19 ~~tax rate area, the two tax rate areas may be combined into one tax~~
20 ~~rate area.~~

21 ~~Existing tax rate areas having the same combinations of local~~
22 ~~agencies and school entities may be combined into one tax rate~~
23 ~~area. For the combination of existing tax rate areas, the factors~~
24 ~~used to allocate the annual tax increment pursuant to Section 98~~
25 ~~shall be determined by calculating a weighted average of the~~
26 ~~annual tax increment factors used in the tax rate areas being~~
27 ~~combined.~~

28 ~~(h) “State assistance payments” means:~~

29 ~~(1) For counties, amounts determined pursuant to subdivision~~
30 ~~(b) of Section 16260 of the Government Code, increased by the~~
31 ~~amount specified for each county pursuant to Section 94 of~~
32 ~~Chapter 282 of the Statutes of 1979, with the resultant sum reduced~~
33 ~~by an amount derived by the calculation made pursuant to former~~
34 ~~Section 16713 of the Welfare and Institutions Code.~~

35 ~~(2) For cities, 82.91 percent of the amounts determined~~
36 ~~pursuant to subdivisions (b) and (i) of Section 16250 of the~~
37 ~~Government Code, plus for any city an additional amount equal to~~
38 ~~one-half of the amount of any outstanding debt as of June 30, 1978,~~
39 ~~for “museums” as shown in the Controller’s “Annual Report of~~
40 ~~Financial Transactions of Cities for Fiscal Year 1977-78.”~~

1 ~~(3) For special districts, 95.24 percent of the amounts received~~
2 ~~pursuant to Chapter 3 (commencing with Section 16270) of Part~~
3 ~~1.5 of Division 4 of Title 2 of the Government Code, Section 35.5~~
4 ~~of Chapter 332 of the Statutes of 1978, and Chapter 12 of the~~
5 ~~Statutes of 1979.~~

6 ~~(i) “City clerk” means the clerk of the governing body of a city~~
7 ~~or city and county.~~

8 ~~(j) “Executive officer” means the executive officer of a local~~
9 ~~agency formation commission.~~

10 ~~(k) “City” means any city whether general law or charter,~~
11 ~~except a city and county.~~

12 ~~(l) “County” means any chartered or general law county.~~
13 ~~“County” includes a city and county.~~

14 ~~(m) “Special district” means any agency of the state for the~~
15 ~~local performance of governmental or proprietary functions~~
16 ~~within limited boundaries. “Special district” includes a county~~
17 ~~service area, a maintenance district or area, an improvement~~
18 ~~district or improvement zone, or any other zone or area, formed for~~
19 ~~the purpose of designating an area within which a property tax rate~~
20 ~~will be levied to pay for a service or improvement benefiting that~~
21 ~~area. “Special district” includes the Bay Area Air Quality~~
22 ~~Management District. “Special district” does not include a city, a~~
23 ~~county, a school district or a community college district. “Special~~
24 ~~district” does not include any agency that is not authorized by~~
25 ~~statute to levy a property tax rate. However, any special district~~
26 ~~authorized to levy a property tax by the statute under which the~~
27 ~~district was formed shall be considered a special district.~~
28 ~~Additionally, a county free library established pursuant to Article~~
29 ~~1 (commencing with Section 19100) of Chapter 6 of Part 11 of~~
30 ~~Division 1 of Title 1 of the Education Code, and for which a~~
31 ~~property tax was levied in the 1977–78 fiscal year, shall be~~
32 ~~considered a special district.~~

33 ~~(n) “Excess tax school entity” means an educational agency~~
34 ~~for which the amount of the state funding entitlement determined~~
35 ~~under Section 2558, 42238, 84750, or 84751 of the Education~~
36 ~~Code, as appropriate, is zero.~~